



TITLE:

JAPAN'S CURRENT RICE POLICY

AUTHOR(S):

Yagi, Yoshinosuke

CITATION:

Yagi, Yoshinosuke. JAPAN'S CURRENT RICE POLICY. Kyoto University Economic Review 1941, 16(2): 1-21

ISSUE DATE:

1941-04

URL:

https://doi.org/10.11179/ker1926.16.2_1

RIGHT:

Kyoto University

Economic Review

MEMOIRS OF
THE DEPARTMENT OF ECONOMICS
IN
THE IMPERIAL UNIVERSITY OF KYOTO

VOLUME XVI
1941

PUBLISHED BY THE DEPARTMENT
OF ECONOMICS IN
THE IMPERIAL UNIVERSITY OF KYOTO

KYOTO UNIVERSITY ECONOMIC REVIEW

MEMOIRS OF THE DEPARTMENT OF
ECONOMICS IN THE IMPERIAL
UNIVERSITY OF KYOTO

VOLUME XVI

(April 1941)

NUMBER 2

JAPAN'S CURRENT RICE POLICY

By YOSHINOSUKE YAGI

1.

"One cannot fight on an empty stomach," as the old Japanese saying has it. In the West also one often hears the familiar slogan, "Food will win the war". These sayings are as true today as they ever were. It is, necessarily, the prime aim of a wartime food policy to ensure adequate supply of foodstuffs at equitable prices... equitable in the sense that while they are maintained in adjustment with the prices of other commodities, they neither depress the livelihood of the consumer unduly, nor since they are also fixed with due regard to the interests of the producer, i.e., the farmer, they affect his vocational interests so seriously as to imperil his existence. It is, indeed, essential if a victorious outcome is sought that the food policy be formulated in these terms and adequately implemented.

As the name Midzuho-no-Kuni (Land of Plentiful Rice, an appellation which Japan has borne from ancient times) implies, this country has always been blest in the matter of

food production. Indeed, no Western country is so amply supplied with foodstuffs as is Japan. It is a well-known fact that during the last World War all the European belligerents suffered disastrously from food shortage. Japan's abundance in the matter of food production may be due primarily to the country's natural or topographical advantages, but it is also due in no small measure to the fact that successive Japanese governments have devoted earnest efforts to the establishment of the food policy on a secure basis, while the farmers, for their part, has taken great pains to increase production in accordance with the wishes of the Government. Potentially abundant in food production though she is, Japan's agricultural productive power has nevertheless shown a certain tendency to decline while the China affair drags on. This fact coupled with an increase in the demand for foodstuffs under war conditions, renders it imperative for the Government to establish a stable food policy, chiefly intensifying control over food prices and the distribution of foodstuffs, and by strengthening the regulation of consumption, while at the same time endeavouring to maintain or increase production. In the present article, I propose to discuss the policy which should be adopted in regard to rice, the most important staple among the Japanese, in connection with the present emergency situation.

2.

The amount of rice harvested in Japan in 1939 exceeded the average yield, notwithstanding the fact that part of Chugoku and North Kyushu suffered severely from drought, while in Korea an unprecedentedly calamitous drought in the Central and Southern provinces wrought such havoc with the rice crop that the yield declined by about 40 per cent., with the result that imports of Korean rice into Japan, which, in normal years, amount to eight or nine million *koku* (one *koku* being about 4.96 bushels) were greatly reduced. This gave rise to a general shortage of rice throughout the

country. In such circumstances, the Government promulgated and enforced in December, 1939, an Ordinance providing for a limitation of the degree of polish permissible, under the National General Mobilization Law, with a view to economizing the consumption of rice in a rational manner. It also effected a substantial reduction in the amount of *sake* (rice wine) brewed. Furthermore, the Government has carried on a campaign aimed at the economical use of rice since the autumn of last year, urging people to use substitutes or mixed foods, in place of pure rice. Nor is this all. The Government has also been importing foreign rice in quite large quantities in order to ensure an adequate supply of food.

In March, 1940, the Government revised the Law governing the formulation of emergency rice measures, with the approval of the 75th session of the Imperial Diet, so as to enable it to purchase or sell rice at the current market price whenever it seemed necessary to take such steps, in order to ensure a fair distribution of the cereal. The Government is thus striving to increase its stocks of rice so as to ensure the smooth distribution of rice in the country through the sale of the reserved supplies to needy districts.

At the same time, with a view to increasing the production of foodstuffs, the Government laid down certain "plans to produce 71,000,000 *koku* of rice and 13,000,000 *koku* of wheat in Japan in 1940 and to secure a substantial increase in the production of barley and rye in 1941." In order to achieve these aims, the Government "proposes to adopt rational methods of cultivation and to devise measures to prevent, as far as possible, any diminution in the yield caused by blight. In regard to fertilizer, it plans to increase production, while striving to improve methods of manuring so as to enhance the efficiency of fertilizer supplies. Altogether, it is resolved to spare no efforts to overcome difficulties in all phases of production in order to relieve the nation of anxiety regarding the supply of foodstuffs."

Furthermore, the Government promulgated the Tem-

porary Rice Distribution Control Regulations of September 10th, 1940, in order to promote the smooth distribution of rice. Under these Regulations, rice marketing plans, like those for the marketing of wheat and barley, are to be drawn up by municipal, town or village agricultural societies and the collection of the rice for sale is to be undertaken, as a rule, by sales guilds and agricultural warehouses. In this way, the unified control of the marketing of rice has been further implemented.

The rice policy of the Government is thus gradually taking on the aspect of more rigorous control. As the new policy for the rice year inaugurated on November 1st, 1940, the Government decided to place under State control all rice released to the market, mounting in all to some 36,000,000 *koku*, that is, all the rice harvested except that portion required by the producers for their own consumption. According to this policy, all rice producers and landowners are obliged to sell under State control all the rice which they produce or receive in farm-rents, except the residue which they require for their own immediate consumption. In the course of a statement on this policy, Mr. Ishiguro, Minister of Agriculture and Forestry, said :— “ Judging from the present state of the growth of rice plants, the rice crop of this year (1940) both in Japan and in the overseas possessions is expected to fall short of the standard of the projected increased production programme. In the meantime, the tendency towards increased consumption of rice persists. In such circumstances, there is no warrant for optimism as to the prospects of the supply of rice for the new rice year. Inasmuch as it is imperative that the nation should be assured of an adequate supply of food throughout the present prolonged hostilities, the need is keenly felt of establishing a new programme of increased production of staple foodstuffs, on the one hand, and on the other, of pursuing in the new rice year the policy recently decided upon, irrespective of the actual results of the rice harvest for the current year ; in order that the Government may be

able to maintain large quantities of rice in its possession or under its control. It is also considered imperative to regulate the consumption of rice more rigorously."

3.

I will now enumerate the considerations which induced the Government to intensify its control over rice.

(1) During the present prolongation of hostilities, there is a tendency for human and animal labour in agricultural villages to diminish while at the same time fertilizers and other agricultural productive materials become scarce. This naturally leads to a decrease in the production of rice and to a general decline in the supply of the cereal.

In order to meet this situation, it is, of course, necessary to spare no efforts to increase the direct production of rice not only in Japan and the overseas possessions but in Manchoukuo and North China as well. However, under wartime conditions, it is admittedly difficult to secure a rapid increase of production.

(2) In wartime, not only are large quantities of rice required in the shape of military provisions but there is also a steady increase in the consumption of rice in consequence of the advance of industrialization and the development of a wartime boom in certain industries in Japan proper as well as in the overseas possessions. In Korea especially, there has been a marked increase in recent years in the amount of rice consumed, due both to the industrialization of the peninsula and consequent higher standards of living among the natives and to an accelerated rate in the natural increase of the Korean population. The amount consumed in Korea in 1939 was twice the quantity consumed in 1936. A similar tendency is observable, though in a lesser degree, in Manchoukuo and Formosa.

(3) The decrease in the yield of rice in 1939 caused by severe drought in Western Japan and in Korea is destined to affect the general rice supply situation for several years.

(4) Past experience would indicate that in Japan periods of rice shortage and over-production alternate, and that such periods of shortage or over-production are of several years' duration. It seems that the country is now in the trough of a shortage period, which may be expected to last for several years. Moreover, in wartime, there is a tendency in all belligerent countries for the production of foodstuffs to decrease, in greater or lesser degree.

(5) Judging from the above-mentioned relation of the demand and supply of rice, it seems fair to conclude that during the next few years, the supply will decrease relative to the demand. Unless, therefore, the control of rice is further implemented, there is a possibility on the one hand of an abnormal increase in price or on the other of a disruption of the smooth distribution of rice due to hoarding or cornering operations, with resulting social unrest.

(6) In Japan, the control of rice has been successively strengthened since 1935 by the promulgation of the Rice Law, the Rice Control Law, the Rice Autonomous Control Law and the Rice Distribution Control Law, but these enactments are, after all, the product of a period of over-abundance, and consequently, although they proved quite effective in forcing up the price of rice, they are not sufficiently effective in these days of shortage, when the need is rather to check a rise in the price of rice, in order to ensure smooth distribution. Particularly when the Government's stocks of rice are gradually diminishing, these rice control laws are bound to become increasingly less effective. Such being the case, it is necessary to establish a new rice policy to meet the needs of the current period of rice shortage.

The revised Law governing the formulation of emergency rice measures, enacted with the approval of the last session of the Diet, is no more than a temporary measure designed to replenish the depleted stocks of rice held by the Government, but the Temporary Rice Distribution Control Regulations, which came into force on September 10th, 1940, and the State control of all rice for sale, enforced as from

November 1st, 1940, are measures which are intended to adjust Japan's rice policy to the requirements of wartime control.

A rice policy, like all other economic measures, ought to be implemented by degrees, and from this point of view, the State control of all rice for sale may be hailed as a useful measure. This measure brings the State monopoly of rice much nearer realization and consequently we are brought face to face with the necessity of studying the rice monopoly system in all its bearings.

4.

From the various circumstances which I have described, it will be evident that the rice policy in this country stands in need of further revision in the direction of a more complete control, so as to bring it into closer harmony with the actual requirements of the current rice situation. In this connection, it may be asked whether the rice situation actually prevailing in this country contains factors conducive to an easy transition either to a State control of rice or the establishment of a rice monopoly. Let me now consider this point.

(1) Under the Rice Control Law now in force, maximum and minimum standard prices for rice are officially fixed and fluctuations in price are permitted within these limits. In the autumn of 1939, the upper limits were fixed for unhulled rice, unpolished rice and polished rice respectively, and the actuality is that rice of these several descriptions is now being sold at the highest price level allowed. This maximum price is practically speaking in accord with the farmer's cost of production. In the event of the enforcement of the rice monopoly system, rice in its unpolished state will be purchased by the Government from the producers at a price which will be based on the standard cost of production; and the rice thus bought will be sold to the consumer in a 70 % polished state at a certain fixed price

(the purchase price plus the monopoly fee). In this case, the price of rice will be fixed for the current year. Inasmuch as the price of rice is now actually pegged to the maximum price officially fixed and as this highest official price is practically speaking in accord with the cost of production, it may be said that the present price of rice is formed in about the same way as it would be formed under a rice monopoly system. Viewed from this standpoint, it may fairly be said that, insofar as the price of rice is concerned, the pre-requisite for the enforcement of the rice monopoly system is already present.

(2) Regarding the marketing of rice, all prefectures have, since the autumn of 1939, been pursuing the policy of restricting or prohibiting the movement of rice out of their respective prefectures. This policy has been denounced by some as feudalistic, and it was also taken up for serious debate at the Gubernatorial Conference held in the spring of 1940. If this merely involves an indiscriminate prohibition of the movement of rice out of the prefectures in which it was produced, it is certainly open to censure, but if it is a measure directed toward the realization of the principle of self-sufficiency within the prefectures concerned, this policy is capable of accommodation with the project of State control or the State monopoly of rice. Under State control or the state monopoly of rice, the entire quantity of rice belonging to producers and landowners, except for the residue which they require for their own consumption, will be placed under Government control, and in this case, each prefecture will be called upon to ensure that its own demand is first met out of the produce in its own area while the surplus is sent elsewhere to meet the demands of such other prefectures as are not in a position to supply their own needs locally. In this way, needless complications, which might otherwise be occasioned, will be avoided, and all unnecessary use of the means of transport, always overburdened in wartime, will be obviated. Accordingly, if the policy of self-sufficiency which all prefectures are now adopting in respect to the

supply of rice is conceived in this spirit, it will be found to harmonize with the system of the State control or the State monopoly of rice.

(3) In Formosa, the system of control of the exportation of Formosan rice to Japan has been in force since November 1st, 1939. Under this system, the Government-General of Formosa officially announces, before the planting of rice, the price at which the rice harvested will be purchased. After it is harvested, rice is bought by the Government-General at the price previously announced and it is then exported to Japan. In 1940, however, in view of the increasing importance of Formosan rice in securing the adjustment of the demand and supply in this country, the Government-General decided to apply the rice control system not merely to rice destined for exportation but to rice reserved for consumption within the island as well, by putting a wider construction on the terms of the Ordinance for the control of Formosan rice for exportation to Japan.

The method of collecting rice is fixed as follows:— (1) An investigation is made in respect of each village into the area of land under cultivation by individual producers for the growing of rice and the total harvest is estimated, in the presence of police officials and the headman of the village concerned, by the inspection of rice plants per *tsubo* mown for the purpose. (2) Producers report to mayors or headmen of counties the amount of rice which they can put on the market, that is, the total yield minus the amount of seed-rice, the amount for their own consumption and the amount to be handed over to landowners as farm-rents; such amounts being officially fixed according to local conditions. The amount of seed-rice allotted to each *ko* (one *ko* being 2.397 acres) by the Government-General is 45 *sho* (one *sho* being 0.48 gallon) each for the *marumochi* and the *horai* brands and 35 *sho* for the old brand. The amount of rough (unpolished) rice allotted to individuals for their own consumption is 1.5 *go* (one *go* being 0.048 gallon) per head for persons under six years of age; 3.3 *go* per head for persons

ranging in age from seven to 69 and 2 *go* per head for persons over 70 years. (3) Mayors or headmen of counties order producers and landowners to produce by the dates fixed the amount of rice which they can sell (in the case of landowners, they have to produce the amount of rice which they have received from their tenant farmers in farm-rents minus the amount reserved for their own consumption). (4) The collection of the rice thus produced is undertaken by *nonyu kumiai*, guilds composed of *sangyo kumiai* (farmers' co-operative societies) and associations of millers. (5) The rice purchased by the Government-General from these guilds is either exported to Japan or sold to consumers in the island. (6) The price at which the Government-General purchases rice is officially announced prior to the planting.

The method adopted for the distribution of rice in Formosa is as follows:— (1) For each district a distributive guild consisting of rice-cleaning-mill owners is organized and to this guild the Government-General sells the rice reserved for consumption in the district. (2) The consumer buys the amount required for a certain fixed period by making use of a *chit* system. The amount reserved for consumption per head is fixed in the same way as in the case of the producer, though the amount allotted varies somewhat according as the consumer is engaged in heavy, light or ordinary labour. (3) The retail price of rice is also fixed officially.

This all-round control of Formosan rice has the dual object of ensuring smooth distribution within the island and of helping forward the successful execution of the rice policy of Japan proper. These measures will undoubtedly form one corner stone of that State control or State monopoly of rice which is yet to be fully realized.

(4) Japanese rice is classified under many varieties and brands with no standardization generally applicable. This is due to the fact that the inspection of rice has hitherto been carried out by each prefecture separately, while each prefecture has also undertaken the improvement of the strains according to its own local policy. There are consequently

many cases where one rice-producing prefecture imports certain kinds of rice of good quality from another rice-producing prefecture. This naturally leads to an irrational movement of rice from one prefecture to another, with the result that much trouble and expense which might otherwise be avoided is incurred in the distribution of the commodity. It is, of course, unreasonable to expect all parts of the country to grow the same varieties of rice, since there are wide divergences as between the North-East and Kyushu, for example, in climatic and geological conditions. Nevertheless, it should be possible to reduce the number of varieties, brands and classes of rice and to standardize them more uniformly and efficiently, as soon as the system of the inspection of rice is unified under Government control. In the event, the policy of self-sufficiency in rice now being pursued by the various prefectures, as already noted, will become more rational and will be brought into closer accord with the aims of State control or State monopoly of rice. The Bill for the State inspection of important agricultural products including rice was passed by the last session of the Diet but its enforcement in the current fiscal year has been delayed for financial reasons. But the Government has made it clear that it will introduce in the present session of the Diet another revision Bill under which the inspection project will forsake its former object of promoting primarily the interests of the producers and the prefectural inspection offices and will assume rather the aspect and function of machinery for implementing the State control of foodstuffs. It has further been disclosed that by adjusting the brands and classes of rice as far as possible, with due regard for the actual inter-prefectural movement of rice, the policy of increased production will be promoted and inspection simplified. In the event of the enforcement of such a system of State inspection of agricultural products, it is to be hoped that the State control or State monopoly of rice will be applied smoothly.

(5) In Japan, each agricultural village has a sales guild

and an agricultural warehouse, organized along co-operative lines, and these institutions are being more firmly established both locally and federally, so that they can be utilized for the collection of rice as well as for its safekeeping, under the State control or State monopoly of rice. Again, as local distributive organs, rice wholesalers and retailers, who are gradually being placed under the more efficient control of the commercial guilds, should be more fully utilized. The collection and distribution of rice will be further facilitated when, as is expected, the marketing of rice is placed under more efficient control than hitherto, viz., under the Temporary Rice Distribution Control Regulations which came into force on September 10th, 1940.

5.

Since there already exist in the present rice situation various factors which tend to facilitate the transition to the State control of rice or the rice monopoly system, the system of State control of all the rice for sale amounting to 36,000,000 *koku* (the total amount of rice produced in Japan less the margin required by farmers for their own consumption) which was initiated in the current rice year beginning on November 1st, 1940, must be hailed as opportune. The main features of this system of the State control of rice, as published in the Press, are as follows:—

(1) Acting in conformity with the Government policy, rice producers and landowners shall sell under State control all the rice which they have produced or received in farm-rents except the amount which they need for their own consumption.

The amount of rice subject to control shall be fixed and allotted by the municipal, town or village agricultural society concerned to each producer and landowner. In order to expedite the collection of rice for purposes of control, co-operative enterprises shall be encouraged in connection with harvesting, husking and collection, and the Government shall devise appropriate measures to this end. The rice for control shall be sealed, collected and kept at the places specified so that the amounts and places of storage may easily be made known.

(2) The Government shall purchase controlled rice in as large quantities as possible. As for the remainder, the Government shall in general assign

it to the custody of certain warehouses specifically designated, and shall take all necessary steps with a view to rendering the aim of control fully operative.

(3) As regards the distribution of rice, the Government shall arrange for planned distribution for the whole country, with prefectures as units, taking into full consideration the factors of demand and supply peculiar to different prefectures. Local Governors shall control the distribution of rice within their own prefectures.

(4) A system for allotting supplies to rice consumers shall be enforced and consumption shall be regulated in a thoroughgoing manner.

Concerning the rice needed for *sake*-brewing purposes, consumption in this category shall be restricted at least as rigorously as in the previous year.

(5) For the supply of materials requisite for agricultural enterprises such organization and methods shall be established as will ensure an unfailing supply to farmers at the right season and in adequate quantities.

(6) The sum of about ¥18,300,000 shall be defrayed out of the national treasury as essential expenditure for the enforcement of this rice policy.

(7) On the basis of this policy, collective food measures shall be further adjusted and extended.

(8) In the overseas possessions also appropriate measures shall be taken to give full effect to this policy.

Details of the methods by which to enforce this system of State control of rice are, no doubt, being elaborated by the Department of Agriculture and Forestry. Here, points claiming special attention in the operation of this system of control will be considered under the heads of the collection of rice, the purchase price, the distribution of rice and the regulation of consumption.

(1) Concerning the collection of rice, the following points claim special attention:—

(a) Under the new system of State control of rice, all the rice which farmers and landowners have produced or received in farm-rents is to be placed under State control, except the amount which they need for their own consumption. The question which immediately arises is, therefore, how to fix the amount which each producer or landowner should be allowed to keep for consumption by his family. This amount can be worked out on the basis of the size of each family and the average amount of consumption per head for the entire country or for each prefecture during

the past several years. It would be more rational, however, to take the ages of the members of each family into due consideration also in fixing the amount, different rates being provided, say, for persons under six years, for those between seven and 69 years of age and for those over 70.

(b) In some districts, people live on rice mixed with barley, *awa* (millet), *hie* (barn-yard grass), sweet potatoes or Irish potatoes, and so it is advisable to take due account of this fact in fixing the amount of rice for consumption by each farm family in such districts.

(c) The amount of seed-rice to be allotted to farmers must also be properly fixed after considering the area of land which each cultivates.

(d) Even in regard to the amount of rice which farmers and landowners are thus allowed to keep for their own consumption, the way must be open for the sale by them to the Government of any surplus which may result, by way of encouraging as much economy in the consumption of rice as possible.

(e) Another point claiming attention is the method of estimating the amount of rice which each producer is expected to harvest. As already mentioned, in Formosa, the total amount of rice which each farm family is expected to harvest is estimated by the inspection of rice plants per *tsubo* (one *tsubo* being about 3.56 square meters) mown for the purpose. This method of estimating the total yield of rice expected to be harvested by each farm family has certain advantages in that it serves to prevent the secret sale of rice by farmers while at the same time enabling the Government to determine at an early date the amount of rice available for control; a circumstance which, no doubt, affords the Government valuable aid in formulating quickly policies for meeting new rice situations. On the other hand, however, the total yield of rice estimated in this way may not always be found to be in accord with the total amount actually harvested. Moreover, it is technically very difficult to apply this method of calculation in respect of the yield.

of each farm family. Inasmuch as an official inspection of new rice is generally enforced in Japan, it would be convenient to fix the total amount produced by each farm family on the occasion of this inspection and the rice destined for control could then be sealed at the same time. It may further be suggested that in such cases, all the rice except the amount earmarked for the producers' own consumption should be taken under State control and a new method should be devised by which tenant farmers would be enabled to pay their farm-rents in cash instead of in rice, as is the practice at present. In some districts, rice is kept in the unhulled state until the following spring when it is milled. In order to expedite the collection of rice for State control, therefore, it is necessary to enforce co-operative milling and other related operations. Reference is made to this requirement in the main outline of the system of State control of rice, already presented.

(f) It is intimated that the Government will purchase the rice destined for State control in as large quantities as possible while the residue of the controlled rice will be placed in the custody of the warehouses designated by the Government, as a general rule; all measures necessary for the purpose being taken by the Government in order to give full effect to the aim of State control.

Judging from these provisions, the new system of State control of rice is not so radical as a rice monopoly system, for under such a system all the rice destined for Government control would be purchased by the Government without exception and would then be distributed among all consumers according to the plan laid down by the Government. As is mentioned in the outline of the new system, namely, that "as to the remainder, the Government shall give it into the custody of the warehouses specifically designated, as a rule, and shall take all necessary steps for the purpose, thereby giving full effect to the aim of control," it is to be supposed that the Government means to issue directions in regard to the distribution of controlled rice other than that which

it directly purchases. For a planned distribution of rice, however, it would seem far better if the Government were to purchase the entire amount.

(2) Nothing was mentioned as regards the purchase price of rice in the outline of the State control system made public some time ago. It is not clear, therefore, whether the maximum and minimum standard prices will be officially fixed as hitherto for unpolished Japanese rice, whether the highest price will also be officially fixed for unhulled rice and polished rice and purchases of the controlled rice made at the current market price within these limits or whether, as would be the case under a rice monopoly system, a definite purchase price will be officially fixed for all rice designated for control. Seeing that the price at which farmers are selling their rice at present is actually the maximum standard price officially fixed, notwithstanding the fact that the minimum standard price is also officially fixed, it would seem more convenient to fix one purchase price for the rice destined for control. This would obviate difficulties which might otherwise arise in fixing the sale price of controlled rice. Under the system for the control of the exportation of rice to Japan, which is in force in Formosa, one purchase price is officially fixed and it is stipulated that it shall be officially announced before the planting of the rice takes place. In fixing the purchase price in this way, it is, of course, important that the cost of production and the trends of the prices of commodities and other economic factors should be taken into careful consideration. Nor is it necessary to point out that different brands and classes of rice should be assigned different purchase prices. In case controlled rice is left in the custody of farmers or agricultural warehouses for a certain period, instead of being purchased by the Government at once, it is proper that the Government should pay the regular storage-fees.

(3) Concerning the distribution of rice, the following points deserve attention:—

(a) With regard to the distribution of rice, it is clearly

indicated that the Government arranges for planned distribution for the whole country, with prefectures as units, in full consideration of the factors of demand and supply peculiar to different prefectures and that local Governors should assume control of the distribution of rice within their own prefectures. It is believed that the Temporary Rice Distribution Control Regulations which came into force on September 10th, 1940, will prove of much use in regard to the control of the distribution of rice.

(b) The marketing of the rice designated as controlled rice is to be controlled by the agricultural societies of the towns or villages concerned, and the rice for sale to the consumers in these towns and villages is to be distributed by commercial guilds composed of the local rice merchants, to whom it is to be delivered through the medium of the agricultural societies. The surplus rice is to be sent by the sales guilds and agricultural warehouses of towns and villages to the headquarters of the union of the sales guilds or the federated agricultural warehouses of the prefectures to which they belong. Part of the rice thus collected in the cities of all prefectures is to be distributed among the urban consumers through the commercial guilds organized by the rice merchants of these cities. In this way, self-sufficiency in rice is sought within the confines of each town or village, in the first instance, and within the area of each prefecture, in the second.

(c) The surplus rice in each prefecture or the rice to be shipped out of the producing prefecture is to be sent to the All-Japan Federation of Rice Sales Guilds through the medium of the prefectural union of sales guilds or federated agricultural warehouses, so that it may be delivered to rice merchants' guilds in the metropolis and other great urban centers for distribution among the consumers.

The collection of rice is thus destined to be undertaken by agricultural producers' associations, and the local distribution by commercial guilds, as a general rule. In view of the functions which they are thus called upon to perform,

steps must be taken to put these associations and guilds on a more efficient basis, and their sphere of control expanded, so that they may be utilized as organs for the collection of rice and for the distribution of rice respectively, in the event of the introduction of a rice monopoly system.

(d) The rice imported from Korea and Formosa should be handed over to the prefectures which cannot supply their own demand, through the Japan Rice Company, on the receipt of the necessary instructions from the Department of Agriculture and Forestry, and these prefectures should then distribute the cereal among the consumers through the local rice merchants' guilds. A system for the control of the exportation of Korean rice to Japan should also be set up along the lines of a similar system now in force in Formosa, with the double object of controlling the exportation of Korean rice to Japan and of facilitating the establishment of a Korean food policy.

(e) In cases where the Department of Agriculture and Forestry has imported foreign rice in order to ensure an adequate supply of foodstuffs in this country, the imported foreign rice should be delivered to the prefectures which are unable to supply their own demand, so that it may be distributed among the consumers through the local rice merchants' guilds with an admixture of Japanese, Korean or Formosan rice.

The question which presents itself in this connection is whether the foreign rice imported by the Department of Agriculture and Forestry should be delivered for distribution to such prefectures only as are unable to supply their own rice requirements or whether it should be delivered to all prefectures indiscriminately, so as to render uniform the ratios of foreign rice mixture, which vary at present from prefecture to prefecture. The former method commends itself from the point of view of minimizing the movement of rice as between prefectures, thereby reducing the burden now imposed upon the transport facilities of railways, shipping agencies and other means of transport, which are overtaxed

in wartime. On the other hand, the latter method has the advantage of rendering the ratios of foreign rice admixture uniform for all prefectures with the result that the present rates of mixture for large urban districts will be much lowered. Both methods have merits and demerits. The point ought to be settled, from a practical point of view, with reference to the transport facilities of railways, etc., and by a careful study of the labour involved in mixing foreign rice with other rice for distribution throughout the country. From a theoretical point of view only, the more equitable step would be to make the rates of foreign rice mixture uniform for all prefectures.

(f) By intensifying the control over the distribution of rice in this way, the smooth distribution of rice would be ensured throughout the period of the present hostilities. Both wholesale and retail prices of rice must be officially fixed. It will also be necessary to complete preparations for controlling or officially fixing the commission rates, for the collection of rice and for the wholesale or retail of rice by rice merchants' guilds, so that these regulations may be applied whenever the situation seems to call for it.

(4) In connection with the regulation of the consumption of rice, the following points claim attention :—

(a) For the purpose of economizing the consumption of rice, the amount of rice for *sake*-brewing purposes must be restricted at least to the same extent as or possibly to an even greater extent than in the previous year.

(b) Besides encouraging economy in the use of rice or substitutes for rice among consumers generally, the rationing system should be enforced, in case of necessity, for the purpose of regulating consumption.

(c) In enforcing the rice rationing system, the amount to be supplied to each household per day should be fixed both with reference to the size of the individual family and by the average amount of rice consumed per head in the country; and ration cards should be issued accordingly to all households. In fixing the amount of rice to be rationed

to each household per diem, however, due allowance much be made for (a) the ages the members of the family, as already pointed out, and (b) the kinds of labour in which the head and other members of the family are engaged, that is, as to whether the classification is heavy labour, light labour or ordinary labour.

(d) The ration cards issued must carry the names of the legal recipients and a statement as to the period within which such recipients are entitled to the stipulated supply. The names of merchants officially designated, from whom the supply of rice may be obtained, should also be clearly mentioned on these cards. By fixing in advance the amount of rice to be distributed by each rice merchant officially designated in this way, the smooth distribution of rice should be promoted.

6.

I have now dealt with the rice policy of Japan today with special reference to the State rice control plan, which was made public the other day. It is hoped that the rice supply situation in the new rice year will be somewhat easier as compared with that obtaining in the previous year, for the rice crop of 1940 did not suffer from a severe drought as in the case of the Korean crop of previous year. But as Mr. Ishiguro, Minister of Agriculture and Forestry, stated, the rice crop for 1940 did not come up to the standard of the projected increased production programme, while the tendency persists for the consumption of rice to increase. Altogether, there is no warrant for optimism with regard to the rice supply situation. In such circumstances, it is most important that under the new State control of rice, the collection of rice, the control of distribution and the regulation of consumption should be strengthened with the object of securing a smooth flow of rice to the nation. At the same time, earnest efforts must be made, not only in Japan and the overseas possessions but in Manchoukuo and

North China as well, to increase the production of foodstuffs, and to this end the agricultural organization in all districts must be adjusted and improved, and appropriate measures taken to see that fertilizer and other materials necessary for agricultural production are supplied adequately and at the right seasons.

In order to carry out a thoroughgoing State control of rice, it will also be necessary to compile accurate statistics in regard to the amount of rice produced, the areas of land under rice, the circulation of rice, etc. so that appropriate directions may be issued by the Department of Agriculture and Forestry to all prefectures with a view to increasing the production, accelerating the movement, and rationalizing the distribution of rice and certain other essential materials. Furthermore close co-operation as between Japan and the overseas possessions, with a view to the establishment of a flawless rice policy, designed to meet the requirements of the wartime situation, is a *sine qua non*.

It is also incumbent upon all people, whether producers, distributors or consumers, to be fully awake to the gravity of the present situation and to co-operate loyally in the successful execution of the rice policy by displaying a consistent spirit of devotion to the interests of the State.